9314 Colesville Road
Silver Spring, Maryland 20901
February 2, 1978

Mr. John V. O'Neill
Chairman of the Board
Oxford House, Inc.
1219 Fidler Lane
Silver Spring, Maryland 20910

Dear Mr. Chairman:

The purpose of this letter is to notify Oxford House, Inc. that I had personally made to Oxford House in the Park. The amount of the loan as agreed upon between me and the House in the Park was $850. The House in the Park had made no payments on the loan nor had I pushed the fact during their existence.

Since its beginning in December, 1976, I loaned to the House in the Park around $1200. Subsequent to the loans, I accumulated receipts to provide for Oxford House in the Park an exact record of the loan. The only receipts I have retained were those which totalled $850. Therefore, I agreed to accept $850 as payment in full for the amount that I had advanced to Oxford House in the Park.

As you may recall, substantial portions of that money were used for building the additional room in the basement of Oxford House in the Park. Naturally, that room, which was fully rented during most of the time that Oxford House in the Park existed generated additional revenue for the house. Unfortunately, the House was plagued with a number of expenses and was unable to meet their obligation to me.

I am sending this letter to the Board of Directors, not for the purpose of pressing the Board for payment at this time, but merely for the purpose of establishing for the Board the fact that I consider the loan to Oxford House in the Park to be a debt owed by that House and should be treated as any other debt when the Board finally decides how to deal with that phase of the liquidation of Oxford House in the Park. Eventually, I would hope that either the successor house in the park or Oxford House, Inc., or any fund established for the purpose of furthering Oxford Houses be in a position to repay the loan I made to Oxford House in the Park.

All of us associated with Oxford House have reason to be proud of its accomplishments. To the extent that we can keep its financial matters on a businesslike basis, I think we will continue our operation with success.

Sincerely,

J. Paul Molloy